

## Ratio Study Narrative 2022

General Information	
<b>County Name</b>	PERRY COUNTY

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
JON LAWSON	(812) 890-8323	jon.lawson@tylertech.com	Tyler Technologies

Sales Window	1/1/2021 to 12/31/2021
<b>If more than one year of sales were used, was a time adjustment applied?</b>	<b>If no, please explain.</b> Only sales during the above time frame were included. Sales from 2019 and 2020 were also looked at to confirm the increases that have been made this year. Those sales were adjusting for time with an appreciation rate of .6231% a month. This represents approximately 7.48% a year, which was established through resale analysis. While we did pull in sales from 2019 and 2020 to confirm the increases that were made this year, we felt that only the 2021 sales needed to be included.
	<b>If yes, please explain the method used to calculate the adjustment.</b>

Groupings
<p>Please provide a list of townships and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in the market.</p> <p><b>**Please note that groupings made for the sole purpose of combining due to a lack of sales with no similarities will not be accepted by the Department**</b></p>
<p><b><u>Residential Improved</u></b></p> <p>We grouped Clark and Leopold Townships together. These areas are similar because they have comparable economic factors, are mostly rural un-platted land, and have mostly similar sized houses with almost half of the houses built prior to 1940. Over 50% of the parcels within these areas are Agricultural and they make up 30% of the Agricultural parcels in the County.</p>

Anderson, Oil, Tobin, Troy, and Union Townships were not grouped with any other townships for the “Improved Residential” portion of the ratio study.

**Residential Vacant**

Anderson, Clark, Leopold, Oil, Tobin, and Union Townships were grouped together because they share similar economic factors being that they are mostly rural with limited small towns, have very limited market action, and are primarily an agricultural area. Troy township had enough sales to stand on its own.

**Commercial & Industrial Improved & Vacant**

We grouped the Commercial and Industrial properties within each township together when developing trend factors, since the construction types and sizes of these properties are very similar. We have adjusted building factors within Commercial neighborhoods that bring us closer to a market value. There are very few Commercial and Industrial vacant land sales due to the fact that most of the land for sale in Perry County is in row crop. For this reason, we did group the Commercial Industrial Improved and Vacant sales into one study group.

**AV Increases/Decreases**

**If applicable, please list any townships within the major property classes that either increased or decreased by more than 10% in total AV from the previous year. Additionally, please provide a reason why this occurred.**

<b>Property Type</b>	<b>Townships Impacted</b>	<b>Explanation</b>
<b>Commercial Improved</b>	ANDERSON TOWNSHIP  CLARK TOWNSHIP  LEOPOLD TOWNSHIP  TOBIN TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.  This is due to 62-02-25-400-008.003-002 Changed from ResVac to ComImp and 62-02-25-300-019.000-002 having New Construction Added.  This is due to 62-06-31-200-003.000-003 having several Hog confinements added.  This is due 62-15-04-100-018.001-005 Changed from ComImp to Exempt.
<b>Commercial Vacant</b>	CLARK TOWNSHIP LEOPOLD TOWNSHIP OIL TOWNSHIP	This is due to increased land rates this year. This is due to increased land rates this year. This is due to 62-01-35-200-015.000-004 Changed from ComVac to Exempt.
<b>Industrial Improved</b>	CLARK TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
<b>Industrial Vacant</b>	TROY TOWNSHIP	This is due to increased land rates this year.
<b>Residential Improved</b>	ANDERSON TOWNSHIP  CLARK TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.

	LEOPOLD TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	OIL TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	TOBIN TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	TROY TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	UNION TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
<b>Residential Vacant</b>	CLARK TOWNSHIP LEOPOLD TOWNSHIP TOBIN TOWNSHIP TROY TOWNSHIP UNION TOWNSHIP	This is due to increased land rates this year. This is due to increased land rates this year.

<b>Cyclical Reassessment</b>
<b>Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.</b>
We reviewed within Troy Township more specifically the taxing district of Tell City City, which you will see reflected in the workbook.

<b>Was the land order completed for the current cyclical reassessment phase?</b>
Yes.

<b>Comments</b>
<b>In this space, please provide any additional information you would like to provide the Department in order to help facilitate the approval of the ratio study. Such items could be standard operating procedures for certain assessment practices (e.g., effective age changes),</b>

**a timeline of changes made by the assessor's office, or any other information deemed pertinent.**

Overall, we noticed a good increase in assessed value and market activity within Perry County. There was a 20% increase in overall transactions with a 28% increase in valid sales used. Resale analysis indicated a 7.48% annual appreciation rate, which we feel is very conservative. This appreciation rate, compounded with a collective effort to make as conservative adjustments as possible in 2020 to acknowledge the effects of the pandemic, the 2021 adjustments needed to achieve our statistical obligations were higher than in years past.

We do recognize that there is a significant number of parcels increasing 10% or more. With exception to industrial properties, there was an overall change that exceeded the 10% ceiling. The typical increase for Agricultural was about 19%, Residential properties was about 14%, but this did vary by Township. For agricultural and residential improved this was due to neighborhood factors being increased due to market activity combined with the implementation of land rate changes. All neighborhoods that have increased 10% or more on average we looked at the percent of representation and confirmed that there was sufficient market activity to substantiate the increase in assessed value. Commercial change was about 8%, but this did vary by Township. The typical increase for Industrial properties was about 5%, but this did vary by Township. Due to so many areas showing up, a detailed explanation, is included separately and is called Perry County Large Change Explanations.

The 2022 Cost table updates were applied. The base year for depreciation was updated to 1/1/2022. The updated 2022 Agricultural land rate of \$1,500 was applied. The updated 2022 Classified land rate of \$16.43 was applied. While not applicable, the 2022 Solar land rate of \$5,250 that applies to the South District was setup (this is 60% lower than the rate utilized by the rest of the state). The updated golf course cap rate of 11.03% was used.

For all properties, both outside and within our review areas, we applied factor adjustments and land rate adjustments where necessary to meet IAAO standards. Any areas that did not have a fair representation of sales were combined with an adjoining area of similar economic factors so that we could draw a more definitive representation of the market.